

New Internationalist

The people, the ideas, the action in the fight for global justice

ECONOMICS



NEW
INTERNATIONALIST
EASIER ENGLISH
Advanced READY
LESSON

This lesson:

Dictation

Discussion 1

Jigsaw reading

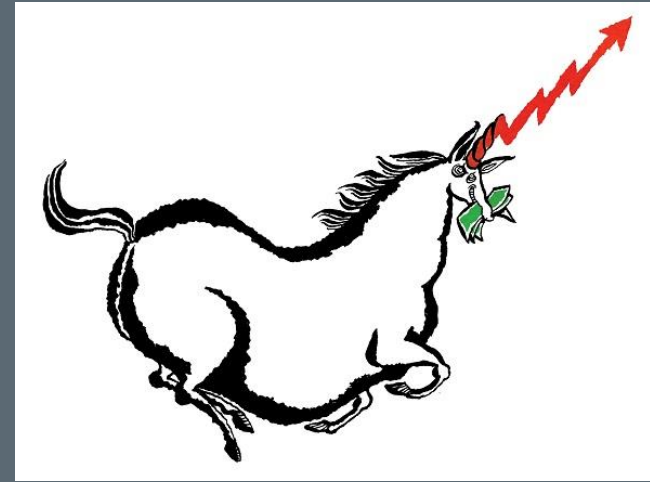
Discussion 2

Language focus



Task 1:

Dictation



(the teacher / class can decide what sort of dictation to use: dictogloss, running dictation, shouting dictation, traditional dictation, group dictation etc) – then check with next slide

- 1/ Austerity will give 'jobs and growth'.
- 2/ Reducing deficits is the only way out of a recession.
- 3/ Taxing the rich stops investment.
- 4/ Economic migrants take too much from rich world economies.
- 5/ The private sector is more efficient than the public sector.
- 6/ Fossil fuels are better for the economy than renewable energy.
- 7/ Financial regulation will take away the banks' profit.
- 8/ Unions stop us making money.
- 9/ Everyone has to pay their debts.
- 10/ Growth is the only way.

Task 2: agree/disagree response

Someone reads out all 10 statements in turn, and everyone in the class stands up, thinks about how much they agree / disagree with each statement, then moves to one side of the room (or in the middle?):

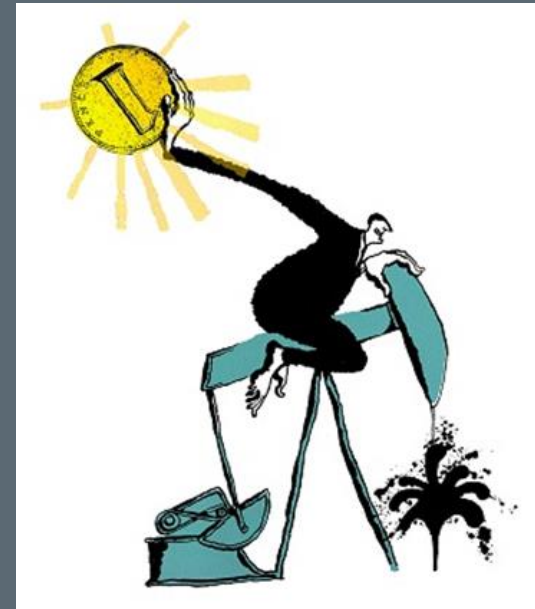
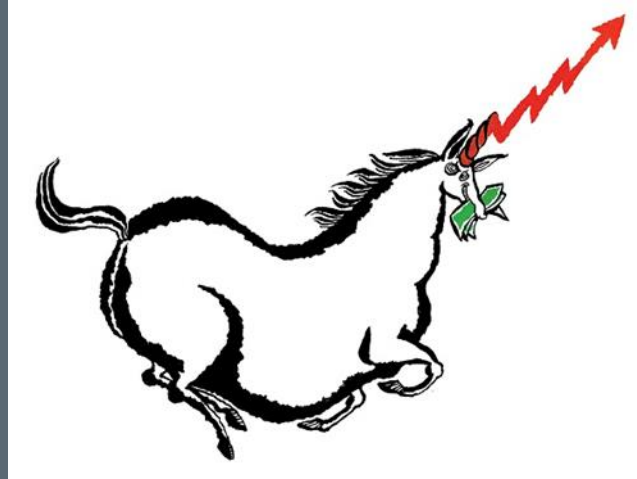
TOTALLY
DISAGREE

AGREE
COMPLETELY

Discuss each statement with people on the opposite side of the room.



Match the statements to these cartoons (by Belle Mellor) and explain why:



Task 3: Jigsaw reading

Each member of the group gets one or more texts (if there are 10, 1 text each; if 5, 2 texts each, if other numbers, learners can share texts).

Everyone reads their texts to find out:

- a) Why it says the statement is a myth and
- b) At least one example supporting this

1. Austerity will give jobs and growth

Austerity is not the answer to our economic problems. It is not the answer to the crazy financial system and the recession the private banks caused when they took so many risks. The banks took crazy risks but they receive a lot of public money. And the public must suffer from the austerity policies of the government.

Conservative politicians say that times are difficult so we must make difficult decisions. They say austerity is difficult but we must suffer it to help the economy. They say businesses will like this and with tax breaks this will help them to invest more and create jobs. But it is not true. And we have not seen the results that we want. Economist Paul Krugman writes that since 2010 every country that introduced austerity has seen its economy suffer.

The reason is clear. In a weak economy with more job insecurity and worse social welfare, people will want to keep their money and not spend it. The super-rich also do not want to invest their money productively. They prefer to build their portfolios and the result is very high house prices. If the government really wants to bring back confidence, then it needs to spend, not cut. It needs to create jobs in the public sector, and offer the security of a more social state. If there are deficits, it's not the big problem we expect, because interest rates are so low and the money borrowed can be used productively.

Even the IMF has said that austerity has a negative effect on growth. For example, look at Greece and Spain. They have strong austerity policies which their people disagree with. Over 50 per cent of young people cannot find a job. This is a clear example that austerity has a negative effect.

US leaders are now openly disagreeing with austerity. Earlier in 2015 economists like Bloomberg said we must increase public spending and give more jobs to help the economy.

In Britain the Conservatives say again and again that their austerity policies are doing well. But Cambridge economist Ha-Joon Chang has a different idea. He writes that the government says national income is higher. But real incomes have fallen by 10 per cent since 2008. The richest people increased their share of wealth. As for job creation – he finds that the number of underemployed workers, who must work fewer hours because there are not enough jobs, has increased 400%. Self-employment, too, has increased because there are no other jobs. The Institute for Fiscal Studies believes that by 2020, 800,000 more British children – one in four – will be living in poverty.

Joseph Stiglitz is a Nobel-prize winning economist. It is no surprise that he thinks the austerity plans in 2012 were 100% negative. But there is another problem – austerity policies have little to do with good government, they are completely ideological. Transnational Institute is an alternative policy group. It said at the start of 2013: 'Business and political leaders are not learning from the crisis. They are using the crisis to increase neoliberalism and to take away workers' rights and a large part of the welfare state to make sure businesses have the power.' They are using austerity to increase privatization,

Austerity has resulted in more inequality, as governments have stopped social spending to reduce poverty and tried to help the rich and not small businesses. Big companies give more and more of their profits to top managers and shareholders. The share of the profits to the workers is less and less. And the political message is: these are difficult decisions in difficult times to reward hard workers and stop those who do not want to work. It's not true but a large number of voters like it. These voters see it as unfair but necessary, but there is nothing to show them that it works.

2. Reducing deficits is the only way out of a recession

In April 2009 I had an invitation to be on the BBC News Channel. There was a meeting of the G20 group of rich countries in London. World leaders were very worried about the financial crisis. They seemed to have no idea about the situation. The BBC presenter asked me: 'Is this the end of capitalism?' It seemed then like a good question.

At the time a lot of public money was going to help the financial crisis. More public money was for a 'fiscal stimulus' to save the 'real' economy. Old cars were bought and thrown away so that more new cars could be sold, and fewer jobs were lost. General Motors was once the biggest company in the world and it now needed saving. At the time, no-one dared to suggest any different ideas. Not even neoliberal economists. For years the neoliberals directed government policies and always thought that markets look after themselves. Now they were lost for words.

Where did all that money come from? Where did it go? Why was it a big surprise for every one? What next? No-one knew. It was clear that private debts were being given to the public, the same as during the financial crises around the world, starting with the 'Third World' financial crises of the 1980s. By the end of that same year, 2009, the neoliberals were back in control and said that the crisis was because of 'too much government spending'. As soon as financial markets were saved, fiscal stimulus for the real economy was stopped. Instead, "independent" central banks – in reality government banks – started giving free money to private banks and financial markets and left them to decide what to do with it. In other words, we were asking the institutions that caused the Great Recession to end it. With interest rates now lower and for longer than in economic history, quantitative easing or printing new money has risen to \$5 trillion worldwide.

It was, and is only a clever financial trick. Quantitative easing features in the accounts of central banks, not governments. Now that the banks no longer needed government money, the most important thing was to cut government budget deficits, public employment and services – to cut the idea of 'too much government spending' to 'too much government'. All of this because of one clear lie – the idea that governments 'borrowed too much'. In fact, research by the International Monetary Fund shows the opposite.

Before the 'credit crunch' in 2007, public debt and budget deficits were falling quickly. Both were higher and rising faster towards the end of the 1980s, when neoliberal economic policies first had an effect. Both were very much higher during the two World Wars, the second of which cost just about as much as the Great Recession has cost so far.

The difference was that big government borrowing and budget deficits during the Second World War had to be spent on the real economy and employment, though that often meant real guns, tanks, death, and destruction. This finally brought an end to the Depression of the 1930s. A 'Golden Age' of capitalism followed in the 1950s and 1960s, reducing both the debts and the budget deficits of governments.

But since 2008 public funds have been given to financial markets, not to the real economy and employment. So the Great Recession has continued, just like the Depression.

The world as a whole is never in debt or deficit: for every debtor there is always a creditor, for every deficit a surplus. The chief economist of Goldman Sachs, the company at the heart of the crisis, said that public debts are always matched by private savings. There are crises, as in 2007, when private savings rise, withdrawn from the real economy. Public debt rises at the same time. If it isn't spent on the real economy in place of private saving, the crisis continues. The real cause of the Great Recession is too many people with not enough income to make the real economy healthy enough for private savings to be invested.

For neoliberals the exercise has been a great success. An economic myth has replaced the truth. Crazy economic policies have become the sign of good economic management.

Neoliberals like to ask how a crisis caused by debt can be solved by more debt. The rest of us are asking how a crisis caused by financial markets can be solved by financial markets.

3. Taxing the rich stops investment

One economic myth of neoliberalism is: private business brings more money; taxation brings less. So if we tax less, we get a richer country. Competition between societies to cut tax gets more investment and creates wealth.

But in reality, if we didn't have public education, healthcare, infrastructure and employment, private business would not be able to work. Taxation creates wealth as much as private business. Tax 'wars' that compete to get lower and lower taxes have more cheating, and can destroy societies or make them poorer. Clever investors – and rich people – know this. The idea that it is only good to invest where they pay less tax is nonsense.

• **As a businessman I never made an investment decision because of how little the tax is. If you are giving money away I will take it. If you want to help me with for something I am going to do anyway, I will take it. But good businesspeople do not do things because of less tax.** • *Paul O'Neill, former chair of Alcoa*

So what is the right level or kind of taxation? That is a political, not economic, question. In a democracy, it is usually fairer. 'Progressive' tax is when the rich pay more. 'Regressive' tax, eg. tax on buying things (VAT, GST etc.) is when everyone pays the same.

Sweden, Norway and Denmark are famous for having the highest, most progressive tax in the world. But they are also the richest, most successful societies. In the financial crisis in 2008, Sweden increased tax to 60 per cent, and most Swedish people were happy to pay. So progressive taxation does not stop the economy.

Neoliberalism means there is more regressive taxation and cheating. There are many tax consultants to pay, and very complicated tax havens. Rich businesses make more money from this than paying tax. The very richest pay no tax at all. Everyone else is paying tax for them.

We can see this clearly in the Great Recession. Governments have to borrow more money or go into debt because they don't get enough money from tax. In a recession, they get less money from tax. If they increase tax, this could make it worse, but it could also make things worse by cutting public spending. This is a political choice.

• **Every country sets its own tax rates, but I think in a world of global capital, in a world where we're competing with each other, in a world where we want to send a message that we want you to build businesses, grow businesses and invest, I think it's wrong to have too high tax.** • *David Cameron, British Prime Minister*

Britain has cut taxes on businesses and for rich people. And VAT has increased a lot. You often see tax wars and regressive taxation with 'austerity'. But they've done nothing to encourage investment. At the end of 2014, investment fell more than at any time since 2009; already lower than in the rest of the European Union, it has been falling all the time since 2009.

We don't have to have neoliberal tax regimes. There are other ways. For example, we could look at private wealth – business and personal – not income. Thomas Piketty estimates that most governments now have no wealth at all. Their debts are about the same as their assets. But private assets are six times greater than private debts. If we had a tax of 15 per cent on private assets, he suggests, this would bring nearly a year's worth of national income – and we would be able to pay all public debt.

Piketty does not think we will have a tax like this soon. There are also taxes on financial speculation eg. the 'Tobin' tax on currency deals. Both of these would help find solutions to persistent economic problems.

Some people say fairer tax regimes are not very realistic. Others say that neoliberal tax regimes rely on myths and propaganda. In reality, quite modest taxes on wealth would produce more than enough resources to stop the Great Recession. That might even please the clever investors.

Myth 4: Economic migrants take too much from rich world economies

Many people say that if you move to a richer country to try to get a better life, you do not deserve a good life. But they accept the refugees if they are leaving violence and have suffered a lot (and they also say 'but we have our own problems too'.)

In the Netherlands, where I live, people often say economic migrants are 'gelukszoekers' or chancers. You can translate this word as 'happiness seekers' – but people use it ironically, and clearly do not like the migrants. Most people agreed (in a recent poll) that there should be fewer economic immigrants – but only 26 per cent wanted fewer war refugees.

The media and politicians try to stop people thinking about the cuts. So they say economic migrants use all our public services, stealing our jobs and make our wages lower. But research shows this is not true. In the 34 rich countries of the OECD, on average immigrant families paid about €2,500 (\$2,800) per year each in tax more than they used in public services.

In a 2014 study, researchers at University College London found that non-European immigrants to Britain (the group that most people don't like) received state benefits less than natives. They paid £5 billion in taxes between 2000 and 2011. They did not use up public services. They paid more tax to help the rest of the population. New migrants are only two per cent of people who live in social housing. The problem here is that the government sells off social housing and does not build more houses to make housing cheaper. Only the rich benefit from housing.

People move to where there are jobs. Politicians say they will be strict. But immigration laws are now less strict for high-skilled migrants and, sometimes, even for people who don't earn much. And there is a double standard: when people from rich countries get good jobs in other countries, others think this is normal, or that they are 'following a dream'.

Economic migrants are usually young, they work hard and often have skills that the countries need. This is good for the older workers because they pay money into pensions and bring life to the economy. As the migrants get older, the positive impact gets less. But in Britain, the Office for Budget Responsibility says that if the country takes a lot of migrants, this could halve the government debt could be halved over 50 years with their tax. Libertarian economists say we should take away all trade barriers. They say we should have a lot of economic migration. They think this would increase world GDP greatly. They also say that if we restrict immigration, this is the same as leaving trillion-dollar bills lying by the road. But it would need immigration on a very big scale to get these results and most people would leave the Global South. This is not going to happen.

But the biggest problem is if economic migrants take jobs and make people pay lower wages. Research shows that the only people who might lose jobs are migrants who arrived before. Sometimes migrants have reduced low wages a little, for a short time. One survey of OECD countries showed this was a reduction of about 0.12 per cent with a one-per-cent increase in immigrants.

And some studies that show the opposite. One study (by economists Mette Foged and Giovanni Peri) studied all workers in Denmark from 1991 to 2008. It followed how they responded to immigration, after a lot of refugees arrived from Somalia and Afghanistan. People in communities where migrants moved to had bigger wage increases than communities without migrants.

The real fight against low wages is against political policies that help the rich and create job insecurity. The ILO says that the way to strengthen growth and employment is to reduce inequality, raise minimum wages, improve unions fighting for better pay and social protections. Migration economist Michael Clemens said that immigrants with low skills take jobs and create jobs. The balance is positive even when politicians and activists say that it must be negative. But it is difficult to tell people this because people see immigrants get jobs, but they don't see immigrants create new jobs.

Finally, migration can bring positive economic results in the short term, but in the long term over the last 50 years the impact of migration to the rich OECD countries has been about zero (almost never more than 0.5 per cent of GDP either in the positive or negative direction). In the long term, migrants are no different from other people. So what is the problem?

Myth 5: The private sector is more efficient than the public sector

The big myth in mainstream economics is that governments should have a small part in the economy. Or, in other words, the government should not stop the rich getting richer. The few people in power like this idea. One result has been selling public assets and privatizing public goods and services. The market and the energy of private business will give us the best in life. At least, that's what they tell us. Governments see selling public assets as a way to cut debt and save money. Common sense says that this may not be best because, usually, you can't sell the same thing twice. So The Wall Street Journal was very happy about Australia and New Zealand/Aotearoa's record privatizations in 2013,

George Osborne, Britain's Chancellor of the Exchequer, probably agrees with this. But what does privatization offer? Does it lead to greater efficiency or a better service? Privatized businesses will want to cut costs but that usually means a lower level of service or pay cuts for workers, job insecurity, and job losses.

There are many studies on privatization. The conclusion: there is no greater efficiency. So, the best we can hope for is that the private sector is no worse than the public sector. The largest study of European companies showed that the privatized companies were worse than the public sector and were worse for up to 10 years after privatization. The same result was true for the very competitive telecoms sector, where costs are lower and there are more varied services. A global study found that privatized sectors are much worse than telecom companies in state hands.

Healthcare is where this myth is greatest. In the US healthcare spending is at its highest, and private spending on healthcare is more than public spending. In the US basic health outcomes are worse than in Cuba. And Cuba spends a very small per cent of the US and in a totally public healthcare system (see table). In the same year the government introduced the Affordable Care Act (also known as ObamaCare) to try to help a bad system that was not helping poor citizens.

In Britain there are similar results. For example, in Cornwall, the private company Serco provided call-centre cover for out-of-hours GP services. It decided to save money by replacing medical staff with staff with no medical training. They followed a computer system to make decisions about ambulance call-outs. The result was a very expensive 400% increase in ambulance call-outs. Of course, the tax payer paid.

Public healthcare systems are more efficient partly because they give a service to everyone and can benefit from economies of scale. They need funding. The IMF and World Bank suggested the opposite for many Majority World countries during the 1980s. The idea was that the state must not play a part and patients must pay. The result: the poorest people have no real healthcare and good health care is for those who can pay.

Of course, there are problems with the public sector. The public sector can also have problems of corruption and management. But active unions and service users can help, and public consultation has a democratic advantage. This is the case in South Africa, where unions and communities joined to fight the privatization of water and sanitation services and to get greater accountability within the organizations they work for.

Myth 6: Fossil fuels are better for the economy than renewable energy

We need to look at the truth with fossil fuels. For years the fossil fuel industry has said how expensive renewable energy is and that we need too much new technology. But now we have the technology, and it's cheaper.

So renewable energy is not more expensive than oil and coal. In 2013 in Australia, wind power energy was cheaper than energy from new coal and gas power stations. Energy from the old coal power stations (from the 1970s and 80s) is cheaper, but only because the energy has already paid for the construction of the power stations.

It's similar in other countries. In 2014 in the US, wind and solar energy was cheaper. And this year wind power on land in Britain is cheaper than other energy.

It's very clear – with better technology making it cheaper, energy from wind and air are free. And water for wave power never ends.

So government needs to support and invest in technology to help with problems like transport and increasing production of renewable energy. Because the future of oil is not good. The US is still producing a lot of oil. But a lot of the oil industry is in trouble trying to keep the low prices. About 75,000 jobs have already been lost. And the fracking companies are in a lot of debt.

But the biggest sustainability problem is the environmental damage of fossil fuels. The IMF calculated that this is worth \$5.3 trillion a year – or \$10 million every single minute – 6.5 per cent of the world's GDP.

These calculations cannot cover everything. For example, how much money should they pay for all the early deaths because of air pollution from fossil fuels?

Myth 7: Financial regulation will take away the banks' profits

There is no problem with the idea of financial regulation but there is a problem with the practice. Mostly, regulation has been good for bankers. They need protection from each other. They cannot work without regulation.

In the 1950s and 1960s, there were higher levels of regulation, big increases in general prosperity, and almost no financial crises. Banks and everyone did well. When financial deregulation began in the 1980s, general prosperity was not so good and there were many financial crises. Banks became more profitable than any other economic sector. Profits from banks were 40 per cent of all business profits in the US.

This sounds like a happy situation for the banks but things did not stop there. Alan Greenspan was the Great Deregulator when he was boss of the US Federal Reserve. In October 2008, he said, I have found a problem. The theory of financial markets with no regulation is wrong. So wrong, in fact, that the crisis caused by the banks took away their own big profits from the years before.

So, deregulation was not a 100% success even for the banks. One thing stopped it from being a 100% disaster - banks can always say they will stop the flow of money. So governments quickly came to help them and 'austerity' arrived for the general public.

The Bank for International Settlements has been overseeing a slow 'recapitalization' of banks. This to be completed in around 2019. The theory is that if the banks need to hold more of their own money, they will need less help in a crisis. But they would also have less money to lend, and would make less profit. So the banks are going as slowly as they can with recapitalization. It is very possible that by 2019, recapitalization will not be enough to make banks safe. So this means there are still risks of more crises in the future for the public.

One group of independent economists says that the regulations we have now are not enough to stop a crisis in the financial system. The causes of the 2008 financial crisis are mostly still there. Big banks are still 'too big to fail'. The banks have not been broken up and their retail (high-street) and investment (casino) functions are still not separated completely. Banks are still playing with the public's money.

Mark Carney is the boss of the new Financial Stability Board (FSB) and the Bank of England. He says that some financial institutions are behaving so badly that they could create risks in the system.

The FSB can watch the financial weather, but it cannot change it. By the end of 2013 the world's top 1,000 banks were back in business, making close to \$1 trillion (\$1,000 billion) in pre-tax profits; an all-time record, 24 per cent more than the year before. History tells us that financial crises come every 10-15 years, and that big bank profits are a warning. So the next crisis could come soon. But interest rates are now close to zero and so lower interest rates and bailouts are not there to help in a financial crisis.

In neoliberal economic theory, there is no limit to the profits of banks. In any other economic theory there is no reason for banks to be more profitable than anyone else and no reason for bankers to pay themselves the way they do. They have proved they can destroy themselves and others too. Deregulation, not regulation, destroys their profits. But to save themselves.

Myth 8: Unions stop us making money

Rich people always say that Labour union members make problems for free markets and so with people making money. In Britain, there are new legal restrictions on union 'militants' and the Daily Mail calls them a 'war on the trade unions'. But the idea that labour unions stop people making money is simply wrong. The evidence from the rich Minority World shows the opposite is true.

There are two parts of this evidence. First, at the heart of the Great Recession is the fact that real wages have gone down since the 1980s. The result has been most people cannot buy enough of the things that are produced. And so people do not want to invest money in producing more things, and people are saving most of their money.

Second, inequality is worse with only a few people who are very rich. This is bad for the economy because if you have more money, you need to spend less and there is less for others to spend. You make a society where the rich find it difficult to make productive use of their money and the others find it difficult to live from one day to the next.

There are three changes along with these two parts. The first is a big reduction in the numbers of workers joining labour unions. In 'advanced economies', this fell from over 45 per cent in 1980 to not much more than 30 per cent by 2010 (see graph above). The most important job of labour unions is to improve wages and conditions and so it is not surprising that real wages have gone down.

Second, research by the International Monetary Fund shows that with fewer people in the unions there is a rise in top income shares and less redistribution. And the decrease in minimum wages goes with big increases in inequality. When people do not have enough money to buy the things produced, there is a the rise in inequality, real wages go down. and there is less organized labour.

Third the economic success of 'advanced economies' – Gross Domestic Product (GDP) for each person in the population – has fallen as fewer people join unions. In the 1960s GDP grew much faster than in later years (see table). The idea that fewer people joining unions means you make more money is wrong.

So, labour unions don't stop us making money. They make economic growth, if that's what you want. But that's not all that labour unions want. They have played a very important part in democracy, in the fight against unemployment and injustice, and in international solidarity. If you take away unions, you take away a lot of that too.

It is possible that the reasons why unions find it difficult to organise in rich countries are: fewer large factories, more globalization, fewer union rights, the need for 'flexible labour markets', and the unions' own problems. But none of that supports the economic myth.

Myth 9: Everyone has to pay their debts

I once met a man from an Indian village who was a slave all the time he was a child and young man because his father had to pay back a landlord for a blanket. When he was rescued, the 'debt' still was not repaid. So debt is about inequality as well as about lending and borrowing.

Here is another extreme example. The richest one per cent of the world now have 50 per cent of the wealth. And 71 per cent of the world's poorest people – 3,386 million – only have three per cent of the total wealth.

So people and countries are more dependent on debt. And a lot of money goes into very risky financial speculation – for a lot of risk, they get a lot more money. And it creates a tiny group of people at the top who make more and more money from everyone else through debt.

From the 1970s, Western banks had a lot of money from oil, so they encouraged some of the most corrupt governments in the Majority World to borrow a lot of money. They knew that the dictators and their friends would take the money themselves and that the people of those countries would be responsible for a very big debt - the original loan was sometimes repaid many times. This destroyed the economies of these countries.

Many of these debts are 'odious' debts – not legitimate. People should punish the lenders. But the only thing that happened to help was that some debt was cancelled in the new millennium because of active campaigning. Today there are signs of a new debt trap for some of the poorest countries of the world.

Rightwing Western governments mostly force the poor countries to pay the debts. And they now will not lend them the money they need.

People often say debt is the reason for cuts. But we need the opposite to get more public confidence and get economies moving; we need debt-management. After World War Two, many European nations had very big debts and invested in public services to start their economies again. Then they were able to lower the debt to levels they could manage.

It can be dangerous if a poor country owes too much money to other countries. But we must make the countries that lend money as responsible as the countries that borrow money. Greece borrowed too much money in corrupt agreements. Today the country's economy is broken. But all the help is going to pay back the money, not to the Greek people. The biggest need is to restructure the massive debt and cancel the illegitimate debt. But they are doing nothing about this.

US economist Jeffrey Sachs says that paying off debt is a game. You could give Greece tens of billions of euros every couple of years for Greece to repay the debt. But the debt grows; the Greek banks die; and the Greek small and medium businesses collapse. It is death by debt.

Myth 10: Growth is the only way

Economists, politicians, the media, and the public have been thinking about the great financial crash of 2008. They have been looking for signs of recovery through growth. They look for every small sign of growth and this gives them hope – “Will everything be OK now?”, they ask.

Between 1900 and 2008 world population has increased 400% and the economy has increased just as much. GDP per person increased 600%. GDP for the world has increased 2500%.

But are things better for everyone? There is some success in literacy and death rates in mothers but other things are the same - rewards for the very few but there is no change or things are worse for most people.

After this century of growth, 925 million people do not have enough to eat, and just under half the world's population lives in poverty. And there is enough money to end all of these problems. But traditional economists tell us the same story – growth, growth, growth. Anne Krueger has worked for the World Bank and the IMF. She says that it is best to reduce poverty through making the cake bigger, not by trying to cut it up in a different way. So it is not surprising that economic growth hasn't helped inequality.

Employment has gone up and down and has not grown steadily as we would expect. New technologies that increase productivity bring greater profits but fewer jobs.

The importance of GDP growth has led to a waste of resources especially in the richer countries. There has been more waste than before and with no real thought.

The Global Footprint Network shows real danger for the environment. The use of resources and the waste every year needs one and a half planet Earths. This means ecological crises in forests, fisheries, freshwater and the climate. And these problems are greater for the poor. As resources are more difficult to find, it is more and more difficult to keep the idea of growth that traditional economists think is so important.

But a good economy is about meeting needs without environmental problems and bringing benefits. The idea is greater equality, sharing, quality of life, free time, housing security. In other words - balance – an economy which gives us enough, where no resource is wasted and there is 100% recycling.

This means a big change in the way we think. In the richer nations people fear that reducing all the things we have means we will lose. We seem to agree with housing insecurity because that's the way the market is. And we are happy to borrow money to spend on things just to show there is growth.

If we get the three-per-cent growth rate that many rich countries want, their economies would double every 23 years – using in 23 years as many resources as all previous times together. Is that sustainable?

But politicians think that criticising the idea of growth is death at elections. Only a few brave Green politicians will do it. So at the moment it is growth, growth, and growth...

Task 4: Discussion

- a) In a group, where at least one person has read each of the 10 texts, discuss / explain what you have read.
- b) Post-speaking focus on language used.



Task 5: Focus on language

Look at the original article of one of the myths you read:

<http://newint.org/issues/2015/12/01/>

Compare the language and find 5 new phrases in the original article. In groups, share the new phrases.



Homework:

Read as many of the original articles from:

<http://newint.org/issues/2015/12/01/>

as you can.

